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## Gender Discrimination on the Romanian Labor Market – Myth or Reality?

Ciprian Ionel Turturean<sup>a</sup>\*, Ciprian Chirila<sup>a</sup>, Viorica Chirila<sup>a</sup>

<sup>a</sup> Faculty of Economics and Business Administration, University "Alexandru Ioan Cuza" of Iași, Romania

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### Abstract

The constant fight against discrimination of any nature constitutes one of the most important objectives of the European Union. Special directives have been adopted with regard to this aspect, comprising measures for fighting discrimination generally and especially discrimination related to the labour market (Directives 76/207/CEE or 86/613/CEE). This article focuses on gender discrimination on the Romanian labour market from an economic perspective. We shall present the characteristics and particularities of the Romanian labour market, from the point of view of gender structure, between 1990 and 2011: population occupation rate, unemployment rate, income level, period of activity, retirement level and retirement receiving period. The analysis of gender discrimination on the Romanian labour market will take into account the differences between the two types of population considered, differences which are due to certain physiological and psychological characteristics. These characteristics may determine biases towards certain types of economic activities for which the income level, work schedule and work condition might differ.

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### 1. Discrimination on the labour market in Romania – socio-cultural context

Gender discrimination on the labour market can take various forms, ranging from the restriction to work in a certain area or to fill in certain positions (professional discrimination), to wage difference (wage discrimination) for the work completed under the same conditions and with the same results.

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\* Corresponding author

E-mail address: [ciprian.turturean@uaic.ro](mailto:ciprian.turturean@uaic.ro)

According to the above-mentioned specifications, gender discrimination on the labour market implies the different treatment, on the same labour market, of people according to their gender.

Actually, there can be two types of discrimination, positive discrimination and negative discrimination.

One example of positive discrimination in Romania resides in the fact that, according to the rules of courtesy practiced in this country, men takes upon themselves to relieve women from the tasks that imply physical effort. As a result of these practices, women are used to accepting only certain types of jobs that do not involve a high degree of physical effort. In the Romanian society, these delimitations between genders are still accepted with regard to economic activities, even though at a lower level, which can involve a false perception of the gender discrimination phenomenon on the labour market. Thus, we can talk about self-discrimination on the labour market or about a voluntary discrimination.

In the case of voluntary discrimination, the role of the technologisation of the economic activities is major as it eliminates the factor that determines the delineation between jobs specific to men and jobs specific to women, that is, physical effort.

Another aspect, specific to ex-socialist countries, is the fact that, during communism, through the policy practiced by the governing party, propaganda for the emancipation of women was in place. This was the first step towards ensuring the equality of men and women in society, even though there remain unwritten laws that are observed especially in the family, laws that reflected, of course, upon women's position in society. Women's financial dependency on men under the auspices of family protection and development still remains a subject of discussion even in developed societies. Usually this dependence implies the tacit agreement of both parties. The communist period corresponded to a period of intense urbanization of the population. Traditional values, typical to the rural environment, were still characteristic to the neo-urban population.

The authors of this article accept the idea of gender differentiation within natural limits on the labour market; moreover, they plead for its application in a positive way, defined by the Chinese philosophy of the two principles, Ying and Yang, without which evolution would not exist.

What the authors propose is that the idea of distinction within natural limits on the labour market be accepted as long as it represents the personal choice of each individual. We suggest that the expression used under these circumstances should not be that of distinction or discrimination, but that of genderual division of labor (SDL) or labour division between genders.

Following a comparative analysis between Western countries and ex-socialist countries, it has been established that Western countries have bigger issues concerning the discrimination of women on the labour market, reference being made here to top management jobs within large national and multinational companies. The debates about gender discrimination on the labour market can generate the following controversy: What is more dangerous: that there is a gender differentiation among professions which comes close to a self-imposed differentiation of each individual participant on the labour market, or to force the population, based on more or less European rules, to find themselves in equal ratios based on gender in all the categories of economic activities, with no regard to the physiological and psychological characteristics of each of the genders?

## **2. The limitations of the analysis of gender discrimination on the labour market in Romania**

The limitations of the approach of gender discrimination on the labour market in this article are established by the limitations of the macroeconomic information available for Romania during the analysed period, 1990-2011.

We need to clarify from the start that the authors accept that there is gender "discrimination" on the labour market, a discrimination mainly deriving from a "labour division" based on the physiological and psychological characteristics that define the difference between genders, as well as from the degree of technologisation of the labour process and the system of traditional values specific to the Romanian people.

We should not exclude the fact that, from the analysis of the economic factors, if these do not have the necessary degree of specification, as a result of - calculations and comparisons, there might appear a phenomenon

of false discrimination (spurious discrimination). This type of discrimination may be based on women's tendency to turn towards activities with another degree of physical and psychic effort. For example, we will find a very small number of women in the mining industry, among the workers that descend into the mine, but we will find a greater number of women ready to work in the mining industry but in the surface work. Consequently, a wage differentiation by gender is possible precisely because women, impelled only by physiological and psychological factors, avoid performing certain types of work. Even in this example, the participation of women in certain types of work is greatly influenced by the technologicalisation of the work process factor, a factor that can compensate for the differences existing between women and men on a physiological and psychological level.

Similarly, we can provide examples specific to men. For example, in the tradition of the Romanian people, there is a delimitation of professions according to gender. This delimitation originates in the past and takes into account the physiological and psychological structure of persons according to their gender. Women would carry out a type of activity regarding the well-being of the household: sewing, weaving, cleaning, cooking, taking care of farm animals, raising and educating children, field work, especially tending the crops and harvesting, buying and selling homemade products (especially clothes and food products) etc. Men had a type of activity regarding the representation of the household in society and activities that implied steady physical effort, usually out of the household: grazing animals, sawing wood, hunting, milling, field work, especially sowing, followed by tending and harvesting the crops, building the house, wholesale trade – converting the results of labour, which implies the manipulation of large quantities (Marlowe, 2007) (Zihlman & Tanner, 1979).

The correct analysis of gender discrimination on the labour market implies the correct breakdown, into branches of activity and specific professions, of the way in which men and women participate in the economic activity of a country.

### 3. Research methodology

In order to verify the hypotheses regarding the existence of gender discrimination, a set of indicators specific to the labour market and a set of parametric and non-parametric tests were used.

The main indicators in absolute value used in this article are:

1. Working - age population (PVM) – comprises the population aged 15 – 64.
2. Civil active population (PA) – from an economic point of view – comprises all the persons above the age of 15 who provide the labour force available for the production of goods and services; it includes the civil employed population and the registered unemployed. It might include persons who exceed the working age and might not include working age people who, for one reason or another, are not active on the labour market – the population that does not want to participate on the labour market and the population that participates on the black labour market (Bureau International du Travail, 2003).
3. Civil employed population (PO) comprises, according to the labour force balance methodology, all the persons who, during the reference year, carried out a profitable socio-economic activity, except military staff and similar staff (staff of the Ministry of Defence, Ministry of Internal Affairs, Romanian Intelligence Service, conscripts), political and community organisation employees and convicts.

In calculating these indicators, five data sources were taken into consideration (INS, Romanian Statistical Yearbook, 2007):

1. the census;
  2. the AMIGO inquiry;
  3. the statistical survey regarding the cost of the labour force;
  4. The Labour Force Balance;
  5. The National Agency for Employment (Agenția Națională a Ocupării Forței de Muncă - A.N.O.F.M.).
1. In the case of the census, a person's economic situation refers to his or her relation to the economic and social activity, as well as to the way in which this person ensures the income necessary for his or her livelihood.

Based on the economic situation, the population is classified into two categories: the economically active population, and the economically inactive population. In its turn, the active and the inactive population may be current or common. The current economic situation is established in relation to the week preceding the census, and the common economic situation is established in relation to the year preceding the census.

2. The AMIGO inquiry includes the economically active population, all the persons who provide the labour force available for the production of goods and services during the reference period, including the employed population and the unemployed.

3. The statistical survey regarding the cost of the labour force does not study the level of the active population; its aim is to assess the number of employees, working time, wage volume, etc.

4. Labour Force Balance provides us with data regarding the civil employed population.

5. The National Agency for Employment (Agenția Națională a Ocupării Forței de Muncă) provides administrative data regarding the number of registered unemployed.

There are methodological differences of calculation between the different sources of data regarding the labour force and sometimes this makes data compatibility difficult. These methodological differences are mainly due to the different lengths of the reference period and to the coverage domain of the active population indicators. The existence of these discrepancies allows for a situation in which persons can appear according to one definition within the category of the active population, and according to another definition, within the category of inactive persons, etc. (Nauze-Fichet & Gonzalez-Demichel, 2003).

Based on indicators in absolute value, the following categories of indicators in relative value have been calculated (Căpanu & Anghelache, 2001):

1. Inactivity rates by gender in terms of the working age population:

$$IR_m^{t,15-64} = \frac{WAP_m - AP_m}{WAP_{total}} 100 \quad IR_f^{t,15-64} = \frac{WAP_f - AP_f}{WAP_{total}} 100$$

2. Activity rates specific to the population grouped by gender in terms of the working age population grouped by gender:

$$AR_m^{15-64} = \frac{AP_m}{WAP_{total}} 100 \quad AR_f^{15-64} = \frac{AP_f}{WAP_{total}} 100$$

3. Specific employment rates in terms of the working age population by gender:

$$ER_m^{15-64} = \frac{EP_m}{WAP_{total}} 100 \quad ER_f^{15-64} = \frac{EP_f}{WAP_t} 100$$

4. Average net nominal monthly earnings by gender in terms of the average net nominal monthly earnings of the total population:

$$\overline{NE}_m^t = \frac{\overline{NE}_m}{\overline{NE}_{total}} 100 \quad \overline{NE}_f^t = \frac{\overline{NE}_f}{\overline{NE}_{total}} 100$$

5. The percentage of the average real retirement age by gender within the average survival age by gender:

$$RRA_m^{\overline{Sa}_m} = \frac{\overline{Ra}_m}{\overline{Sa}_m} 100 \quad RRA_f^{\overline{Sa}_f} = \frac{\overline{Ra}_f}{\overline{Ra}_f} 100$$

6. The percentage of the average real retirement age by gender within the average legal retirement age:

$$RRA_m^{\overline{LegRA}_m} = \frac{\overline{Ra}_m}{\overline{LegRA}_m} 100 \quad LegRA_f^{\overline{LegRA}_f} = \frac{\overline{Ra}_f}{\overline{LegRA}_f} 100$$

It can be observed that the indicators can be grouped into two broad categories, according to the reporting basis:

1. Indicators measuring the intensity of a phenomenon produced at the level of each group by gender by reporting group indicators to general indicators specific to the whole population. This category of indicators, though they pose a high degree of comparability by the use of the same reporting basis, does not allow for a correct evaluation of the phenomenon at group level, because it allows the manifestation of some factors that are

exterior to each of the groups. Consequently, we shall use this category of indicators only in one of the following instances:

- when it is not possible to calculate indicators at group level;
- when the calculation of indicators at group level is irrelevant;
- when we want to identify an external factor that can determine the occurrence of some significant differences between groups.

2. Indicators measuring the intensity of a phenomenon produced within each gender group by reporting group indicators to another category of group indicators.

Activity rates, employment rates, and inactivity rates offer a particular form of estimation, because at the level of the feminine population, in most cases, a higher degree of inactivity can be noticed, in comparison with the masculine population.

By using the working age population instead of the total population, we try to avoid the identification of a spurious discrimination on the labour market, due to this behaviour.

In order to test the research hypotheses, in this article we shall use:

- the t test to check whether the average of two groups differs significantly. This test can be used when the target variables at the level of the two groups are normally distributed. Due to this peculiarity, the t test is usually preceded by the testing of the normal distribution of the target variables through a specific test (Smirnov, 1948).
- the Mann-Whitney U test to check whether the average of two groups differs significantly. This test shall be used when the normality of the distribution of the compared variables at the level of the two subgroups cannot be tested.

The t test and the Mann-Whitney (U) test shall be used especially for the comparison of the average rates by gender in case the reporting basis of the indicators is the same (example: the total working age population) or in case there is a small number of registrations.

The hypotheses checked by these tests are:

$$H_0: r_m = r_f \quad H_1: r_m \neq r_f$$

Where  $r_m$ ,  $r_f$  average rate, in a general way, specific to the male population, and to the female population, respectively.

#### 4. Establishing the research hypotheses

The tested hypotheses fall into two categories:

1. Hypotheses that test the difference between the average levels of the indicators measuring the intensity of a phenomenon produced at the level of each gender group by reporting group indicators to general indicators specific to the total population. *Hypothesis no. 1:* On the labour market in Romania there are significant differences between the average inactivity rates of the civil population by gender. Women present a higher inactivity rate, which makes them liable to discrimination on the labour market. *Hypothesis no. 2:* On the labour market in Romania there is a slight difference between the average net nominal monthly earnings of men compared to that of women. Men have average net nominal monthly earnings that are higher than women's.

2. Hypotheses that test the difference between average levels of the indicators that measure the intensity of a phenomenon produced within each gender group by reporting group indicators to another category of group indicators. *Hypothesis no. 3:* On the labour market in Romania there are significant differences regarding the civil population grouped by gender regarding activity rate. *Hypothesis no. 4:* On the labour market in Romania there are significant differences among the civil population grouped by gender regarding the employment rate. *Hypothesis no. 5:* On the labour market in Romania there is an excessive use of the masculine labour force as compared to the feminine labour force. *Hypothesis no. 6:* On the labour market in Romania there is an oversteering of the state pension system by women. These hypotheses have been checked through the t test or, as the case goes, through the Mann-Whitney U test.

## 5. The results of the analysis

In order to verify the hypotheses regarding the existence of gender discrimination, a set of indicators specific to the labour market and a set of parametric and non-parametric tests were used. In calculating these indicators, five data sources were taken into consideration: the census, the AMIGO inquiry, the statistical survey regarding the cost of the labour force, the labour force balance, and the national agency for employment.

Hypothesis no. 1: On the labour market in Romania there are significant differences between the average inactivity rates of the civil population by gender. Hypothesis no. 1 shall be tested with the t test applied to the variable inactivity rate specific to women and men, respectively. The Hypothesis no. 1 is accepted and, consequently, there are significant differences between the average inactivity rates by gender, and the average difference is of about 4% in favour of men.

Hypothesis no. 2: On the labour market in Romania there are differences between the average net nominal monthly earnings of men compared to those of women. Hypothesis no. 2 is tested by the Mann-Whitney U test (Neter, Wasserman & Whitmore, 1988). The hypothesis no. 2 is accepted and, consequently, there are significant differences between the average gross monthly incomes by gender. The average difference for the analysed data is of about 12.91% in women's disadvantage.

Hypothesis no. 3: On the labour market in Romania there are significant differences between the averages of activity rates by gender. There are significant differences between the averages of activity rates by gender. The average difference calculated for the registered data is of 7.74% in women's disadvantage. This demonstrates that at the level of the feminine population group, the activity rate is slightly smaller than that of the masculine population. This result appears under the conditions in which the calculation of the activity rate by gender is achieved by dividing by the working age population, and not by the total. In reality, the differences between activity rates are much greater.

Hypothesis no. 4: On the labour market in Romania there are significant differences regarding the civil population grouped by gender regarding employment rate. There are significant differences between average employment rates by gender. The average difference between activity rates by gender is of 7.32% , favouring men.

Hypothesis no. 5: On the labour market in Romania there is an excessive use of the masculine labour force as compared to the feminine labour force. The hypothesis is verified with the Mann-Whitney U test. The results of this test validated hypothesis no. 5.

Hypothesis no. 6: On the labour market in Romania there is an overstressing of the state pension system by women. The hypothesis is verified with the Mann-Whitney U test. The results of this test validated hypothesis 6.

All the premises presented at the beginning of this article have been validated as a result of the testing process. In table 1 we shall present synthetically, on an intensity scale, corresponding to each gender, the advantages and disadvantages resulting from the validation of the hypotheses. They are correlated with a description of the hypotheses and with the indicators used for the testing of the hypotheses.

The intensity of the advantaging/disadvantaging of the population by gender takes into account the average of differences by gender between the indicators used in hypothesis testing. Consequently, from Table 1 there follows that the masculine population seems to be favoured on the labour market in Romania. The conclusion is, of course, subjective, as long as we assigned the same weight to each aspect tested through the 6 hypotheses, but it presents an indisputable reality, that is, that there are differentiations on the labour market in Romania.



Table 1. Grouping the statistical hypotheses by gender and by positive/negative aspects

Hypothesis no.	Description of the hypotheses	Indicator used in the testing process	Average difference between genders (masculine-feminine)	Advantages(1)	
				Masculine population	Feminine population
1	Different inactivity levels for different gender populations	Inactivity rates by gender	-4.02%	+	-
2	Different average net nominal monthly earnings for different gender populations	Average net nominal monthly earnings	12.91%	+++	---
3	Activity rates for different gender populations	Activity rates by gender	7.74%	++	--
4	Different employment rates for different gender populations	Employment rates by gender	7.32%	++	--
5	Different degree of use in time of the labour force for different gender populations	The percentage of the average real retirement age by gender within the average survival age by gender	12.48%	---	+++
6	Differentiated favouring by gender from the point of view of the mandatory labour period	The percentage of the average real retirement age by gender within the average legal retirement age	-4.40%	-	+
<b>Total</b>				++++	----

Note: (+) - advantage; (-) - disadvantage. (1) For each difference by 5%, we grant a +/- sign.

## 6. Conclusion and suggestions

All the premises presented at the beginning of this article have been validated as a result of the testing process. We cannot assert in all confidence how much of these differentiations are due to real discrimination and how much to voluntary discrimination or gender division on the labour market in Romania, in the period 1990-2011, but it is certain that these differences exist. What is beneficial on the labour market in Romania is the fact that the advantage goes, alternatively, to men and women. Finally, within the limits imposed by the analysed indicators, the authors of this article accept that discrimination on the labour market in Romania exists, but within natural limits. Just as natural unemployment is healthy for the economy of a country, in a similar way natural distinction, based on some principles that take into account the physiological and psychological characteristics of each gender, can be beneficial for the health of a society.

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